



MEMORANDUM

TO: Mayor and Council Members

FROM: Brian Manley, Chief of Police

DATE: January 31, 2020

SUBJECT: Item 50, Axon Contract Amendment, Additional Background Information

The purpose of this memorandum is to provide additional information related to Item 50, which is a contract amendment with Axon Enterprise, Inc. (Axon) scheduled for Council action on February 6, 2020. This memo outlines three City contracts that were consolidated into the proposed contract amendment: the Taser contract, the first body-worn camera contract and the second body-worn camera contract.

During the FY 2019–2020 budget preparation, the Austin Police Department’s (APD) planning efforts included the non-capital replacement of the Taser X26P since this equipment was reaching its end of life and was being replaced with advanced technology, specifically the Taser 7. The Taser X26P and its supporting equipment (batteries, cartridges, etc.) would no longer be available for purchase after the expiration of the City’s Taser contract, which ended January 22, 2020. The new Taser 7 would be sold via a subscription-based pricing model, the Officer Safety Plan, which requires the City to bundle all services (Tasers, body-worn cameras and related software applications) into one subscription cost. The only other option is to purchase these items separately, which would not include bundling discounts and equates to an additional \$9.2M over the next 10 years.

APD researched technology options for a solution that allows for the highest level of officer and public safety at a reasonable cost.¹ In September 2019, following approval of the FY2019–20 budget, APD began negotiating with Axon through an existing State of Texas Department of Information Resources (DIR) cooperative procurement method. Axon provided a quote based on 2019 DIR pricing and informed APD that a new 2020 pricing model would become effective beginning in January 2020.

This contract amendment has the following financial impacts: a year-one \$301,000 increase in costs for the replacement Taser (approved in the FY2019–20 budget) and a forecasted increase of \$582,000 in the FY2020–21 budget. An additional cost increase of \$544,000 occurs in year three and not again until a \$535,000 increase in year six. These costs are consistent with expected cost

¹ Outside of contract negotiations, staff explored other means of outfitting officers with less lethal weapon options equivalent to Tasers. The research identified Taser 7 as utilizing the most updated technology.

increases related to the three separate contracts of the existing body-worn camera program and Taser equipment.

APD evaluated the costs of individual contracts in comparison to combining the existing contracts into one. It was determined to be more advantageous to leverage additional discounts on software applications and minimize price increases for the next 10 years. The option to absorb the Taser contract scope of work, replace the first body-worn camera contract (expires FY2022) and amend the second body-worn camera contract (expires FY2027 and add a three-year extension) yielded the best financial position. In addition, this amendment allows the City to continue to take advantage of existing service-level agreements and scopes of work. The quote Axon offered for the amendment was scheduled to expire on December 31, 2019; however, to provide additional time for Council review and consideration, Axon extended the quoted price through February 14, 2020. Axon indicated that after the extended deadline, the quoted pricing will no longer be valid and the 2020 pricing model will be effective, which includes a \$9.2M increase.

Taser 7 technology advances include improved inventory management and firmware updates, and new software applications that will allow the Department to set the metrics recommended in the City Auditor's report on the body-worn camera program.

In summary, the contract with Axon will cost the City \$48.3M over the next 10 years for continued support of existing equipment and programs. This amendment represents \$5.3M in negotiated cost savings based on 2019 DIR pricing. With Council's approval prior to the February 14, 2020 quote expiration, the City saves an additional \$9.2M based on Axon's 2020 pricing model. I recommend approval of the Axon contract amendment and support the Officer Safety Plan subscription-based model, which provides warranty and maintenance for all equipment; emergent technology upgrades every 30 months (replacement hardware); cloud storage of all data; and, replacement Tasers (batteries, holsters and cartridges).

Should you have questions related to the contract amendment, please contact Chief of Staff Troy Gay, Austin Police Department at (512) 974-5030.

Cc: Spencer Cronk, City Manager
Rey Arellano, Assistant City Manager
James Scarboro, Purchasing Officer